

# 2010-11 PERFORMANCE PLAN – Chief Actuary (A. Milligan)

*All of the terms and provisions of the "CalPERS Compensation Policies and Procedures for Chief Executive Officer, Chief Actuary, General Counsel and Investment Management Positions" are incorporated in this Performance Plan by this reference as if set forth in full.*

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	Customer Focus	<p>By June 30, 2011, achieve Enterprise Priority #1 "Customer Focus," as set forth in the 2010-11 Business Plan approved by the Board for the following objectives:</p> <ul style="list-style-type: none"> <li>Enhance consistent, collaborative communication and engagement with stakeholders</li> <li>Ensure the PSR/ETM/PERT Project remains on schedule and within budget and implement planned activities in the PSR/ETM/PERT Recovery Plan</li> <li>Implement an enterprise web-based multi-channel communication service</li> </ul> <p>(Specific tactics and milestones are set forth in the Business Plan)</p>	From Schedule
30%	Sustainability	<p>By June 30, 2011, achieve Enterprise Priority #2 "Sustainability," as set forth in the 2010-11 Business Plan approved by the Board for the following objectives:</p> <ul style="list-style-type: none"> <li>Protect stakeholder interests, assist policymakers in making decisions, and influence the state and federal pension reform debate by <ul style="list-style-type: none"> <li>Providing employers with enhanced actuarial information on the impact of investment volatility their contribution rates by December 31, 2010</li> <li>Recommending possible changes to the actuarial discount rate by March 2011</li> <li>Distributing an educational toolkit for elected officials on funding public pensions and post-retirement medical benefits by March 2011</li> <li>Providing continuous monitoring, analysis, and impact response on pension reform proposals</li> </ul> </li> <li>Participate in the development and recommendation of the strategic asset allocation</li> </ul> <p>(Specific tactics and milestones are set forth in the Business Plan)</p>	From Schedule
30%	Building Internal Strength	<p>By June 30, 2011, achieve Enterprise Priority #3 "Building Internal Strength," as set forth in the 2010-11 Business Plan approved by the Board for the following objectives:</p> <ul style="list-style-type: none"> <li>Attract, develop, and retain a diverse workforce and build a work culture that reflects diversity and inclusion best practices</li> <li>Institute an enterprise Risk Management function to effectively evaluate, monitor, and manage risk across the organization</li> <li>Complete the first phase of the Organizational Alignment initiative</li> <li>Design and implement an enterprise Succession Plan framework to ensure leadership continuity, retention of institutional expertise, and development of staff</li> </ul> <p>(Specific tactics and milestones are set forth in the Business Plan)</p>	From Schedule

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### Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
10%	Organizational Management Practices	<p>By June 30, 2011, achieve improvements in enterprise management by:</p> <ul style="list-style-type: none"> <li>• Maintaining an average Actuarial and Employers Services Branch position vacancy rate of 5% or less through the Fiscal Year 2010-11</li> <li>• Ensuring all Form 700 Statements of Economic Interest are filed by scheduled employees in the Actuarial and Employers Services Branch by the mandated due date of April 1, 2011</li> <li>• Ensuring all scheduled employees in the Actuarial and Employers Services Branch complete the legally mandated AB 1234 ethics training by June 30, 2011</li> <li>• Maintaining a 90 percent EPAD completion rate for employees in the Actuarial and Employers Services Branch</li> <li>• Resolving all outstanding audit findings pertaining to the Actuarial and Employers Services Branch within 12 months of audit report.</li> </ul>	From Schedule
100%	Total	Qualitative Measures	